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C O N F I D E N T I A L SECTION 01 OF 02 ACCRA 001317

SIPDIS

MCC FOR ROD NORMAN
TREASURY FOR LUKAS KOHLER, ALEX SEVERENS, JOHN RALYEA

E.O. 12958: DECL: 07/05/2010

TAGS: [EAID](#) [KMCA](#) [GH](#) [MCA](#)

SUBJECT: GHANA PRESIDENT KUFUOR AND AMBASSADOR DISCUSS WAY
FORWARD ON MCA

REF: HARRINGTON/LANDBERG EMAIL 07/01/05

Classified By: Ambassador Mary C. Yates for Reasons 1.5 (B and D)

11. (C) Summary. Ambassador Yates met July 1 with President Kufuor to discuss ways to accelerate Ghana's Millennium Challenge Account (MCA) program. Ambassador delivered Ref A talking points, emphasizing that both sides needed to increase engagement in order to conclude an agreement within a reasonable timeframe. Kufuor stated that he had already assigned a new, senior level point of contact -- Deputy Finance Minister George Gyan-Baffour -- to oversee a full-time, dedicated MCA team. He agreed that solid program design was essential for successful implementation, and acknowledged this would take time. He called for greater MCC presence in Ghana, and showed interest in arranging an interim, public agreement. End Summary

12. (C) On July 1, a Ghanaian holiday, during an informal meeting at her residence with President John Kufuor, Ambassador verbally delivered the MCA talking points (Ref A) jointly developed by Post and the Millennium Challenge Corporation (MCC). Ambassador also provided a hard copy for Kufuor to pass to Ghana's MCA team. The Ambassador noted that the MCC delivered the same demarche in Washington to Ghana's Ambassador Poku on June 30. Kufuor said he had not yet received Poku's report.

13. (C) The Ambassador explained that Ghana's draft MCA concept was extremely complex and ambitious, and therefore would require greater care, resources, and time to complete. She emphasized that it was important to spend the extra time and resources upfront to develop a solid, well-designed Compact. She commented that good design was critical to implementation, noting that the MCC officials have clearly stated in past meetings with GoG leadership that it will pull funding of MCA Compacts that are improperly implemented.

14. (C) The Ambassador emphasized repeatedly that the team had to work full time and the senior-level leader had to be available daily for consultations. She diplomatically asked if the President felt current team leader Michael Ansah had adequate field experience to be in charge of MCA planning and project implementation. She also pointed out that our recent experience has been that when MCC experts visited Ghana they had not found GoG counterparts who were prepared or knowledgeable.

15. (C) The Ambassador assured Kufuor that the MCC was prepared to increase its financial and personnel commitment to the Ghana MCA process, in order to complete a mutually acceptable (and fundable) MCA program. She added that the MCC would send out a high level delegation July 7-8 to begin discussions with the Ghana MCA team on next steps.

16. (C) President Kufuor responded that he met with the Ghana MCA team on June 29 and had already taken the actions the MCC was looking for: 1) he appointed Deputy Finance Minister Gyan-Baffour to serve as lead-GoG contact for the MCC and focus exclusively "over the next three months" on completing an MCA agreement; 2) Michael Ansah will continue to serve as MCA team leader, but Kufuor left open the option of bringing on someone with more field experience as co-team leader; and 3) he instructed the Finance Ministry to hire all Ghana MCA team members on a permanent basis, and ensure adequate compensation packages for them.

17. (C) Kufuor said he would meet soon with Finance Minister Kwadwo Baah Wiredu and Deputy Minister Gyan-Baffour to discuss the talking points with them, re-emphasize that MCA would be Gyan-Baffour's priority for the next three months, and motivate the Ghana MCA team for the July 7-8 meetings with the high-level MCC team.

18. (C) While Kufuor seemed to accept that the GoG was partially responsible for delays to date, he was adamant that Ghana has the capacity to design and implement its MCA plan. He acknowledged that Michael Ansah is more of a consultant than project manager, and discussed the possibility of bringing on someone with project design and implementation experience. He gave the example of the person who is currently in charge of the Presidential Special Initiative on

oil palm. However, he was open to suggestions, including from the Embassy or MCC on possible candidates. (Comment: Kufuor stated unequivocally that Michael Ansah would stay as team leader. Unstated was Kufuor's clear understanding that there are concerns -- within his own government and the MCC -- about Ansah's ability to manage this unwieldy project. Nevertheless, Kufuor stated that Ansah was highly motivated to succeed, not least because he might have political ambitions. End Comment)

9. (C) The President stated that he wants the MCA process to operate more as a joint venture between Ghana and the MCC, and called for a more robust MCC presence in Ghana. He acknowledged that it would take time to design the program, but stated that his government was prepared to do the necessary to speed up the process. He pointed out that the GoG was even planning to purchase the 28,000 hectares necessary to implement Ghana's agriculture-focused MCA plan, and commented that this should eliminate land title issues for investors and also obviate the need to negotiate with local Chiefs.

10. (C) Comment: Kufuor did not comment directly on the statement in the talking points about developing an interim agreement, encompassing both MCC and GoG plans to increase engagement. However, we know from his meetings in Washington, as well as our conversations with GoG officials that he wants some kind of public dividend from the GoG's MCA commitment. Although the President was reassuring on the GoG's capacity to design and implement this complicated project, we at Post are less assured. The GoG has many extremely intelligent and competent people, especially at the Ministry of Finance and Bank of Ghana. However, they are all already in positions of great responsibility and are overworked. It will be difficult for many of these people to leave their day jobs to work on MCA full-time. Furthermore, Post believes that even the capable GoG officials lack experience in designing and managing assistance projects, and therefore have little conception of the length of time and resources a project takes just to develop.

11. (C) Comment Continued: Michael Ansah himself emphasized this point to Econoff at Post's July 4 party, commenting that most GoG officials have only seen the implementation side of foreign assistance projects. They have no experience with the massive preparation that goes on prior to implementation of a big project. He added that it took him until March 2005 to convince the President and Minister of Finance to appropriate just \$500,000 to fund the GoG's own MCA planning process. He concluded that the GoG should have put in millions ("at least 1%" of projected funding) at the beginning, but GoG leaders did not -- and likely still do not -- understand that it often takes money to get money. Ansah's private comments bolster this Embassy's strong belief that the real solution to the capacity issue is to hire a consulting company or large team of consultants, with experience implementing large assistance projects in Ghana. Most donor countries' assistance agencies (USAID, DFID, EC) do at least some of their work through private consulting companies, so it might make sense for Ghana to consider a similar arrangement. End Comment
YATES